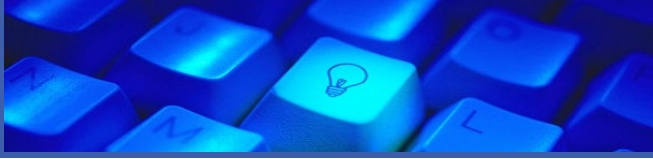


Unemployment Insurance Agency MICHIGAN EMPLOYER ADVISOR

Fall 2015

FROM THE
director



Dear Employer:

In 2015, the UIA went through a process of strategic planning for the future. Our mission is: "Through teamwork, we serve as stewards and leaders in the customer centric delivery of Michigan's unemployment insurance program, and we do so with integrity and efficiency."

Whether it's administering temporary income to those who are unemployed through no fault of their own, or ensuring that Michigan employers are fairly and accurately charged unemployment taxes, the UIA impacts thousands of people each day. Customer service has been and will continue to be a major focus as we live out our mission. We strive to offer

convenience and efficiency for our employer and claimant customers through electronic access to accounts and assisting customers via email, toll-free telephone numbers and in person.

In 2015, the agency worked to help our customers to optimize their experience with the unemployment insurance system in many ways.

- Both employers and unemployed workers had the opportunity to learn more about the unemployment insurance system through our annual series of Employer Seminars and our new Unemployed Worker Seminars offered throughout the state.
- Most Michigan employers are now using the Michigan Web Account Manager (MiWAM) to manage their own unemployment tax accounts. MiWAM helps employers save time and money mailing paper forms, and gets reports filed quicker and more efficiently. Electronic filing of reports is required by law for all employers. For more about this, please see the Employer Reminders on page 5.
- The Taxable Wage Base was reduced from \$9,500 to \$9,000 for non-delinquent contributing employers. More information about TWB can be found on page 2.

Please let us know how we're doing and if you have any suggestions about how we can better serve you by taking a moment and fill out our Customer Feedback Survey, which can be found on our website at www.michigan.gov/uiu. And if you have a question about your account, please feel free to contact us through your MiWAM account, or by contacting the Office of Employer Ombudsman at 855-484-2636 or oeo@michigan.gov.

Sharon A. Moffett-Massey

Sharon Moffett-Massey, Director
Unemployment Insurance Agency

THE MICHIGAN EMPLOYER ADVISOR

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Insurance Agency newsletter
for Michigan Employers about
unemployment insurance.

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More News About the Reduced Taxable Wage Base

As you may know, beginning with the third quarter of 2015, the Taxable Wage Base (TWB) — the maximum annual wage on which an employer must pay unemployment taxes — was lowered from \$9,500 to \$9,000 for non-delinquent contributing employers.

Many employers have contacted the UIA because they noticed that even after they filed their 3rd quarter reports, when viewing their account through MiWAM, the TWB still displayed \$9,500. This occurred because the employer filed their 3rd quarter 2015 tax report before the quarter had ended. The reduced TWB was not applied for the quarter until the quarter actually ended, on Sept. 30, 2015. Once the quarter ended, the reduced

TWB was applied to these accounts and the tax due corrected. There is no action required by the employer.

Reminder: The reduced TWB only applies to employers who are not delinquent in the payment of unemployment taxes, penalties or interest totaling \$25 or greater. An employer's eligibility will be re-evaluated every quarter. The evaluation for the quarter ending Dec. 31, 2015 will be conducted on **Nov. 16**. To qualify for the reduced taxable wage base, full payment of any outstanding balance must be received by the Agency and credited to the employer's account by **Nov. 30**.

Payments may be made electronically through MiWAM or by check to the UIA. If paying by check, be sure to write your UIA Account Number on your check and mail to: 3024 W. Grand Blvd., Suite 12-600, Detroit MI 48202. Remember, your check must be received by the Agency by Nov. 30. To ensure your payment is received and credited timely, it is recommended that you make your payment through your MiWAM account.

Form UIA 6354, "Notice of \$9,500 Taxable Wage Base," will be mailed to employers who have an outstanding balance totaling \$25 or greater on Nov. 30. This form advises employers that a delinquency exists on their UIA account and therefore, they are not eligible for the taxable wage base reduction.

Also, if a tax report is missing, the employer is ineligible for the reduced taxable wage base.





UI Fraud: How You Can Protect Your Business

Fraud affects everyone — both employers and taxpayers — and drives up the cost of doing business. As employers, you can help save millions of dollars in fraudulent payments that might otherwise go undetected by identifying suspected fraud. In many cases — such as an employee claiming benefits while still working — you as an employer may be the first to have information that fraud is occurring.

As employers, you can help detect and prevent fraud by:

- Reviewing monetary determinations for accuracy, e.g., was the employee ever employed by your organization and, if so, does the person continue to work. Is the separation reason correct?
- Correctly filling out Wage Detail Reports (UIA Form #1017) to include gross wages, denote a family-owned business and review which wages should be reported and which shouldn't (e.g. profit sharing).
- Verifying each worker's earned income on the bi-weekly Statement of Charges/Credits to the Employer's Account (UIA Form #1136). This bi-weekly statement identifies each person receiving unemployment benefits and how much. These statements are a very powerful early detection tool which also updates the employer on their current account status.
- Advising payroll staff, usually the ones most familiar with workers who are also collecting UI benefits, to monitor gross wages reported (or NOT reported).
- Using the Social Security Administration's no-fee Business Services Online website to verify names and SSNs of employees at:
<http://www.socialsecurity.gov/bsowelcome.htm>

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Here are just some of the ways employers and claimants may commit UI fraud:

Employer Fraud:

Individuals or businesses that deal in cash only or use other schemes to hide their activities and their true tax liability such as:

- Providing false information to prevent an otherwise eligible claimant from obtaining benefits
- Paying employees “under the table” to avoid paying taxes
- Incorrectly reporting wages
- Intentionally misclassifying employees as independent contractors

Claimant Fraud:

- Working full time while collecting benefits and not reporting hours of work and earnings to the UIA
- Providing false information about work search efforts
- Using another person's identity (name or social security number) to work and/or file a UI claim
- Providing false information about the reason for separation

UI Fraud: How You Can Protect Your Business *cont'd from page*

- Ensuring a legal workforce by E-Verify with the U.S. Department of Homeland Security at <http://www.uscis.gov/e-verify> to determine eligibility of employees to work in the U.S.

Often times, a company's payroll and other information, such as unemployment reports, end up in places other than the hands of appropriate personnel. Sometimes employers may not review the information or it may go to a payroll company or accountant who handles the books. Regardless, it is important to make sure that appropriate staff receives and timely reviews your payroll and unemployment reports so they can readily identify benefit fraud.

In one recent example, an employer did not review the weekly UIA Form #1136 for a full year. The result: although the employer had a year's worth of information, he was simultaneously paying wages while being charged for unemployment benefits.

By monitoring the 1136 reports — just like we monitor our personal bank accounts and billing statements — you can help identify suspicious activity early and nip UI fraud in the bud.

Not just an employer-only responsibility, the UIA maintains a number of anti-fraud processes to prevent and/or detect fraud. Protecting the integrity of the UI system is a serious responsibility. Working together, the UIA, employers, and the public can make a positive impact.

If you suspect fraud, contact the UIA anytime at 1-855-UI-CRIME or click on "Report Fraud" after you log into your MiWAM account at www.michigan.gov/uia. Provide as much information as possible. You may be contacted for additional information.



Q. I'm a reimbursing employer. Why doesn't the total on my Form UIA 1770, Summary of Statement of Benefit Charges and Credits match my bill?

A. As a result of the integration of the benefits and tax systems and in an effort to make redeterminations on a "real time" basis, the agency now issues automatic Redetermination of Charges (ROC's) on a quarterly basis. For any charge or credit adjustment based on a redetermination where the originating quarter was in the system, the adjustment is being made to the originating quarter.

Q. I'm a contributing employer — why has my rate been redetermined for multiple years?

A. Benefit charges under protest or appeal have been held in suspense while the appeal was pending, but as a result of a final disposition of the appeal, the charges are now posted to the employer's account resulting in a change in the employer's tax rate. Because these changes may result in a change to the applicable tax rate, the Agency will issue a Tax Rate Redetermination for the applicable period as well as an adjustment to the Tax Due amounts. Please check your MiWAM account for your current account balance.

If you have any questions about automatic Redetermination of Charges for employers, please contact the Office of Employer Ombudsman (OEO) at 1-855-484-2636 or by email at OEO@michigan.gov.

Employer Reminders



- By now, all employers should be submitting their quarterly reports electronically through MiWAM. Hopefully, MiWAM has helped to make filing your report smoother, and faster, and has saved you money and time on mailing in paper forms. The transition to electronic has helped the agency immensely in the more efficient and timely processing of your reports.

For those of you who have yet to make the transition, remember, it is required by law, and the paper Form UIA 1028 is no longer accepted by the UIA. If employers send in a report on paper, they will receive a notice from the UIA indicating that the paper form 1028 will not be processed. Failing to submit, when due, any required quarterly wage detail report, or submitting an incomplete or erroneous report is subject to a fine of \$50 for each report if filed not later than 30 days after the date the report is due. The penalty is \$250 if the report is filed more than one calendar quarter after the date the report is due, and an additional \$250 for each additional calendar quarter that the report is late.

More information can be found on the UIA website under the “I am an Employer” tab. If you have questions, or need assistance, please contact the UIA’s Office of Employer Ombudsman at (855) 484-2636 or OEO@michigan.gov.

UIA

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and keep your
skilled
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THE MICHIGAN EMPLOYER ADVISOR

is an Unemployment Insurance Agency periodical for Michigan Employers about unemployment insurance. Submissions should be related to UIA programs and services.



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State of Michigan*

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*Lynda M. Robinson, Editor,
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TIA is an equal opportunity employer/program. Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

State of Michigan; Department of Talent and Economic Development; Talent Investment Agency; Unemployment Insurance Agency
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Please direct questions, suggestions and comments to: employeradvisor@michigan.gov